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PAU 88-0151

29 April 1988

Bob:

Here are the talking points for your "Trends in Soviet Leadership" presentation.

In preparing these talking points, we drew heavily on the speech you made on 19 January to the Dallas Council on World Affairs. We also incorporated the talking points prepared by SOVA for your upcoming trip; information from the summary in "Gorbachev's Economic Program: Problems Emerge" of 13 April 1988; a memorandum on Soviet leadership prepared by the NIO/USSR, and various articles in the U.S. media.

The figures on the numbers of personnel changes within the Soviet Union that you used in your 19 January Dallas speech have been updated and are current as of 27 April.

STAT

Bill Baker

Attachments:
As Stated.

Bob
Penciled notations
are Bob Blackwell's

STAT

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PROPOSED TALKING POINTS

FOR

ROBERT M. GATES

DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE

BEFORE THE

ASPEN INSTITUTE OF HUMANISTIC STUDIES

MAY 17, 1988

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INTRODUCTION

CHIP BOHLEN, FORMER AMBASSADOR TO THE SOVIET UNION, USED TO COMPARE ANALYZING POLITICS IN THE KREMLIN TO WATCHING A WRESTLING MATCH TAKING PLACE UNDER A RUG. YOU COULD TELL THAT THERE WAS A LOT OF HEAVING AND STRUGGLE, BUT YOU COULDN'T TELL WHAT WAS GOING ON.

NOW, TO AN EXTENT THAT IS UNPRECEDENTED, THE RUG HAS BEEN KICKED ASIDE, AND WE CAN SEE MORE THAN THE SHAPE OF THE STRUGGLE. THE EXTRAORDINARY PUBLIC CONFRONTATION THAT WE HAVE WITNESSED SINCE THE PUBLICATION OF THE LIGACHEV-BACKED ARTICLE IN THE CONSERVATIVE SOVETSKAYA ROSSIYA SHOWS THE EXTENT TO WHICH SOVIET LEADERS ARE WILLING TO EXPLOIT GLASNOST FOR THEIR OWN PURPOSES. THE STRUGGLE FOR POWER WAS PREDICTABLE, BUT -- FOR THE MOMENT -- WE HAVE A CLEARER VIEW OF THE IMPORTANCE OF TIMING, THE INTENSITY OF THE STRUGGLE, ~~AND~~ THE STRENGTH OF RESISTANCE TO PERESTROIKA, AND Gorbachev's political skill.

LIGACHEV-GORBACHEV SHOWDOWN

IT IS CLEAR THAT LIGACHEV -- OR WHOEVER AUTHORIZED THE ANDREYEVA LETTER -- CHOSE HIS MOMENT.

-- THE LENGTHY LETTER TO THE EDITOR SIGNED BY "ANDREYEVA" WAS PUBLISHED ON MARCH 13TH, A DAY BEFORE GORBACHEV WAS SCHEDULED TO LEAVE FOR YUGOSLAVIA.

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-- THE LETTER, WHICH USED TWO LENGTHY LIGACHEV QUOTATIONS WITHOUT ATTRIBUTION, WAS A BROADSIDE ATTACK ON PERESTROIKA, AND CALLED INTO QUESTION THE HEART OF GORBACHEV'S PROGRAM.

PREDICTABLY, GORBACHEV RESPONDED TO THE DIATRIBE.

-- GORBACHEV'S RESPONSE, IN THE FORM OF A SHARPLY-WORDED PRAVDA EDITORIAL, SIGNALED HIS DETERMINATION TO STAY THE COURSE WHILE LIGACHEV HAS BEEN TARRED WITH DEFENDING THE STATUS QUO ANTE

-- THIS BLOWUP HAS SHARPENED THE BATTLELINES IN THE LEADERSHIP ON HOW FAR AND FAST REFORM SHOULD GO.

- GORBACHEV CAN COUNT ON CLOSE COLLEAGUES SUCH AS PARTY SECRETARY YAKOVLEV, FOREIGN MINISTER SHEVARDNADZE, AND PREMIER RYZHKOV -- AS WELL AS REFORM-MINDED ELEMENTS WITHIN THE ELITE AS A WHOLE -- TO BACK HIS PROGRAM. BUT OTHERS, SUCH AS LIGACHEV AND KGB CHAIRMAN CHEBRIKOV, REPRESENT FORCES WITHIN THE RULING ELITE WHO WANT TO SLOW THE PACE OF CHANGE AND EMPHASIZE MORE TRADITIONAL APPROACHES.

-- THE BATTLE IS LIKELY TO INTENSIFY AS THE PARTY CONFERENCE SET FOR THE END OF JUNE APPROACHES -- WITH THE ULTIMATE PRIZE BEING CONTROL OVER ITS CHARTER, THE AGENDA, AND THE OUTCOME.

-- FOR LIGACHEV AND OTHER CONSERVATIVES, THE ANDREYEVA ARTICLE WAS THEIR YELTSIN AFFAIR, GIVING GORBACHVE A GOLDEN OPPORTUNITY TO REGAIN MOMENTUM AND PUT HIS OPPONENTS ON THE DEFENSIVE. -- THIS Gorbachev's
[OPPORTUNITY] VICTORY COMES AT A CRITICAL TIME -- [GORBACHEV] He NEEDS A

IN WRESTING CONTROL OVER ideological and personnel matters from Ligachev's

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SHOWING OF [UNITY] BEFORE PRESIDENT REAGAN ARRIVES FOR THE 25 MAY SUMMIT, AND [GORBACHEV] NEEDS TO RETAIN CONTROL HEADING INTO THE JUNE PARTY CONFERENCE.

GORBACHEV: STRENGTHENING THE LEADERSHIP AND HIS POSITION

EVERY RUSSIAN AND SOVIET LEADER FROM PETER THE GREAT TO THE PRESENT WHO SOUGHT CHANGE OR MODERNIZATION HAS FACED FORMIDABLE OPPOSITION.

-- BUT, UNLIKE THEM, GENERAL SECRETARY GORBACHEV REALISTICALLY CANNOT RESORT TO WIDE-SCALE TERROR AND VIOLENCE TO ELIMINATE THOSE WHO STAND IN HIS WAY.

-- HE MUST RELY ON A LONG TERM, LARGELY NON-VIOLENT PURGE OF PARTY AND BUREAUCRACY AND PLACEMENT OF HIS SUPPORTERS IF HE IS TO REMAIN IN POWER AND SUCCEED AT ALL.

IN HIS THREE YEARS AS GENERAL SECRETARY, THERE HAVE BEEN LARGE-SCALE PERSONNEL REPLACEMENTS.

-- THERE HAVE BEEN 8 NEW FULL MEMBERS AND 5 CANDIDATE MEMBERS ELECTED TO THE CPSU CENTRAL COMMITTEE POLITBURO.

-- 40% OF THE FULL MEMBERS OF THE CENTRAL COMMITTEE HAVE BEEN ELECTED SINCE GORVACHEV TOOK OVER.

-- 10 OF 12 CENTRAL COMMITTEE SECRETARIES ARE GORBACHEV APPOINTEES.

-- 72 OF THE 101 MEMBERS OF THE COUNCIL OF MINISTERS ARE NEW.

-- 11 OF THE 13 FIRST DEPUTY AND DEPUTY CHAIRMEN OF THE COUNCIL OF MINISTERS ARE NEW UNDER GORVACHEV.

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-- 47% OF THE OFFICIALS IN THE AGRO-INDUSTRIAL COMPLEX HAVE BEEN REPLACED.

-- 15 OF THE 20 CENTRAL COMMITTEE DEPARTMENT CHIEFS HAVE BEEN REPLACED.

-- 87 OF 165 REGIONAL FIRST SECRETARIES HAVE BEEN REPLACED.

THE STRUGGLE TO MODERNIZE THE ECONOMY

THERE IS STRONG SUPPORT IN THE POLITBURO FOR GORBACHEV PERSONALLY AND, IN PRINCIPLE, FOR THE NECESSITY TO MODERNIZE THE ECONOMY.

-- EVEN SO, NEARLY EVERY STEP GORBACHEV SEEKS TO TAKE TOWARD STRUCTURAL ECONOMIC OR POLITICAL CHANGE IS A STRUGGLE, AND SUPPORT IN THE POLITBURO FOR HIS INITIATIVES SHIFTS CONSTANTLY.

- FOR EXAMPLE, HIS PROPOSALS FOR ECONOMIC CHANGE AND A PARTY CONFERENCE WERE REJECTED IN JANUARY, 1987, BUT ADOPTED IN JUNE OF THAT YEAR.
- WITH THE EXPULSION OF MOSCOW PARTY BOSS BORIS YELTSIN IN NOVEMBER, 1987, WE SAW THAT EVEN GORVACHEV'S ALLIES CAN BE A HINDRANCE IN THE DELICATE POLITICAL BALANCING AND BARGAINING HE MUST PURSUE TO ACHIEVE PROGRESS.

BELOW THE POLITBURO, SUPPORT FOR CHANGE -- AND ESPECIALLY FAR-REACHING CHANGE -- IS EVEN SHAKIER.

-- OPPOSITION FROM THE PARTY CENTRAL COMMITTEE AND PARTY APPARATUS IS A CRITICAL PROBLEM FOR GORBACHEV.

-- SENIOR LEVELS OF THE ECONOMIC BUREAUCRACY STAND TO LOSE THE MOST IF GORBACHEV MOVES TO DECENTRALIZE THE SYSTEM AND ARE IMPORTANT

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OBSTACLES TO IMPLEMENTATION OF HIS PROGRAM.

-- WHILE MANY SENIOR OFFICIALS OF THE NATIONAL SECURITY BUREAUCRACIES UNDERSTAND THE CONNECTION BETWEEN A STRONG DEFENSE AND A HEALTHY ECONOMY, THEY ALSO ARE UNHAPPY WITH THE IDEA OF GREATER CONSTRAINTS ON DEFENSE SPENDING AND SKEPTICAL OF PROMISED BENEFITS.

-- OTHERS, FOR EXAMPLE THE KGB, ARE CONCERNED ABOUT THE POTENTIAL FOR INSTABILITY AT HOME AND IN EASTERN EUROPE CREATED BY ANY RELAXATION OF POLITICAL CONTROLS.

-- THE SOVIET POPULATION SEEMS TO BE PASSIVELY SUPPORTIVE, BUT THEY HAVE SEEN CAMPAIGNS FOR CHANGE COME AND GO.

-- THE INTELLIGENTSIA ARE PROBABLY THE ONLY GROUP THAT COMES CLOSE TO GIVING WHOLEHEARTED SUPPORT.

TAKEN AS A WHOLE, GORBACHEV'S REFORM MEASURES ARE AN IMPRESSIVE PACKAGE THAT IN SCOPE AND SPECIFICITY GOES WILL BEYOND THE SO-CALLED KOSYGIN REFORMS IN 1965.

-- NEVERTHELESS, BECAUSE OF INTERNAL CONTRADICTIONS AND THE RETENTION OF SO MANY ELEMENTS OF THE PRESENT SYSTEM, THE REFORMS HAVE YET TO BE IMPLEMENTED.

-- EVEN IN THE UNLIKELY EVENT THEY ARE FULLY IN PLACE IN 1991 AS INTENDED, THET WILL NOT CREATE THE DYNAMIC ECONOMIC MECHANISM THAT GORBACHEV SEEKS AS THE MEANS TO REDUCE OR CLOSE THE TECHNOLOGICAL GAP WITH THE WEST.

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INSTEAD, THEY SPELL TROUBLE FOR HIS ECONOMIC PROGRAM.

-- SOVIET GNP GREW BY LESS THAN ONE PERCENT LAST YEAR -- A RATE REMINISCENT OF THE LATE BREZHNEV PERIOD.

-- GORBACHEV'S QUALITY CONTROL PROGRAM IS DISRUPTING PRODUCTION.

  - INDUSTRY GREW BY ONLY 1.5% AND THE CRITICAL CIVILIAN MACHINE-BUILDING SECTOR DID NOT EXPAND AT ALL.

-- NEW INITIATIVES IN ORGANIZATION AND MANAGEMENT ARE CREATING CONFUSION AND APPREHENSION IN SOME QUARTERS, AND BUREAUCRATIC FOOT-DRAGGING AND OUTRIGHT RESISTANCE IN OTHERS.

-- A SHARP DECLINE IN SOVIET HARD CURRENCY EARNINGS (THE RESULT OF FALLING OIL PRICES AND THE DEPRECIATION OF THE DOLLAR) WILL LIMIT MUCH NEEDED SPECIALIZED IMPORTS FROM THE WEST.

-- FINALLY, FOR A MODERNIZATION DRIVE THAT DEPENDS IN SUSBTANTIAL MEASURE ON HARDER WORK, THERE ARE FEW REWARDS FOR SUCH WORK.

  - SHORTAGES OF CONSUMER GOODS, REDUCED JOB SECURITY, AND WIDESPREAD CONCERN OVER POTENTIAL INCREASES IN CONSUMER PRICES ARE UNDERCUTTING THE PROSPECTS FOR IMPROVED WORKER PRODUCTIVITY.

<u>IMPLICATIONS OF LACKLUSTER ECONOMIC PERFORMANCE</u>

IF THE ECONOMY CONTINUES TO PERFORM POORLY IN THE NEXT FEW YEARS, TENSION WITHIN SOCIETY AND THE LEADERSNIP WILL INCREASE.

-- BUREAUCRATS WILL BECOME INCREASINGLY FRUSTRATED BY LOSS OF PRIVILEGES AND STATUS AND BY DEMANDS THAT THEY SHOW GREATER INITIATIVE.

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-- MILITARY LEADERS ARE LIKELY TO BECOME MORE AND MORE UNEASY IF BENEFITS FROM THE INDUSTRIAL MODERNIZATION FAIL TO MATERIALIZE.

-- SOVIET CITIZENS, WHO HAVE BEEN THE REAL LOSERS, WILL NEED TO SEE SOME IMPROVEMENT IN LIVING STANDARDS IF THE REGIME IS TO ACHIEVE NECESSARY GAINS IN WORKER PRODUCTIVITY AND AVOID WIDESPREAD DISCONTENT.

-- FAILURE TO HEAD OFF THESE TENSIONS COULD CALL INTO QUESTION GORBACHEV'S STRONG POLITICAL POSITION AT HOME.

POLITICAL REFORM

GORBACHEV'S PLANS FOR THE POLITICAL SYSTEM REMAIN LESS WELL-DEFINED THAN HIS ECONOMIC AGENDA. BUT HE AND HIS ALLIES HAVE SHOWN A GROWING CONVICTION THAT THE REVITALIZATION OF SOCIETY AND ECONOMY CAN SUCCEED ONLY IF THERE ARE SIGNIFICANT CHANGES IN THE POLITICAL ARENA AS WELL.

-- GORBACHEV IS FRUSTRATED WITH THE STRAITJACKET OF INHERITED DOCTRINE THAT OPPONENTS OF CHANGE HAVE SOUGHT TO IMPOSE ON HIM. HE IS DEPICTING HIS OWN PROPOSALS AS AN EFFORT TO RETURN TO LENIN'S ORIGINAL INTENT.

-- GORBACHEV'S CAMPAIGN FOR "DEMOCRATIZATION" IS DESIGNED TO REVITALIZE THE COUNTRY'S POLITICAL INSTITUTIONS, BUT IN RECENT MONTHS, EVEN GORBACHEV HAS BACKED AWAY FROM SOME OF THE MORE CONTROVERSIAL ASPECTS OF HIS "DEMOCRATIZATION" CAMPAIGN.

-- GORBACHEV'S USE OF GLASNOST IS, IN MY OPINION, AN ATTEMPT TO

-- Gorbachev clearly understands this and knows he must deliver more benefits to the populace sooner rather than later. He is promoting willing to considerable "individual initiative in

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ACHIEVE SOME RATHER OLD-FASHIONED OBJECTIVES THROUGH AN APPARENT LIBERALIZING FORCE.

-- • GLASNOST IS BEING USED TO CRITICIZE OFFICIALS GORBACHEV SEES AS HOSTILE AND TO PRESSURE THEM TO GET WITH THE PROGRAM.

-- • IT IS BEING USED TO HIGHLIGHT PROBLEMS HE WANTS TO ATTACK, SUCH AS ALCOHOLISM AND DRUG ABUSE IN ORDER TO MOBILIZE SOCIETY BEHIND HIS CAMPAIGNS.

-- • HE HOPES TO USE THE ATMOSPHERE OF GREATER OPENNESS TO COOPT INTELLECTUALS AND PARTICULARLY ENGINEERS AND SCIENTISTS TO BE FULL PARTNERS IN THE ATTEMPT TO MODERNIZE THE ECONOMY.

-- • IT ENABLES THE REGIME TO COMPETE WITH FOREIGN AND OTHER UNOFFICIAL SOURCES OF INFORMATION. SINCE THE POPULATION WILL HEAR ABOUT RIOTING IN KAZAKHSTAN AND THE DISASTER AT CHERNOBYL ANYWAY, GORBACHEV BELIEVES IT IS BEST TO PRINT THE NEWS AND PUT AN OFFICIAL SPIN ON IT.

-- • FINALLY, HE INTENDS TO LEGITIMIZE BROADER DISCUSSION OF PROBLEMS AND POSSIBLE SOLUTIONS IN ORDER TO BREAK THE BACK OF DOMESTIC RESISTANCE AND INCREASE HIS ROOM FOR MANEUVER AT HOME. FURTHER, HE SEES THE EXPANSION OF POLITICAL DEBATE AS A NECESSARY STEP TO ACHIEVE HIS LONGER RANGE GOALS.

WHAT GORBACHEV IS SUCCESSFULLY CHANGING IS THE OFFICIALDOM OF THE PARTY AND STATE BUREAUCRACY. ONCE AGAIN THE PURGE HAS BECOME THE

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VEHICLE FOR CONSOLIDATING AND ENHANCING PERSONAL POWER, AS WELL AS FOR IMPLEMENTING CHANGE.

RUN-UP TO THE PARTY CONFERENCE

IN RECENT WEEKS, THERE HAVE BEEN SIGNS GORBACHEV'S DRIVE TO RESTRUCTURE THE POLITICAL SYSTEM IS NOW GATHERING MOMENTUM. THE PRESS HAS BEGUN TO PUBLISH REFORM PROPOSALS WHICH RAISE THE MOST SERIOUS AND CONTENTIOUS IDEAS, PARTICULARLY:

-- ELECTING PARTY LEADERS BY SECRET BALLOT WITH A CHOICE OF CANDIDATES.

-- LIMITING TERMS OF OFFICE TO A MAXIMUM OF 8 TO 10 YEARS.

-- CHANGING THE OCCUPATIONAL COMPOSITION OF THE CENTRAL COMMITTEE TO REDUCE THE INFLUENCE OF ENTRENCHED PARTY ELITES AND GOVERNMENT MINISTERS.

-- REDUCING THE SIZE OF THE PARTY APPARATUS BY ELIMINATING THE BRANCH ECONOMIC DEPARTMENTS.

-- FORMING A NATIONAL-FRONT-TYPE ORGANIZATION, SIMILAR TO THOSE FOUND IN EASTERN EUROPE, THAT WOULD INCLUDE OTHER POLITICAL GROUPS BESIDES THE COMMUNIST PARTY.

THE EXTENT OF SUPPORT FOR SUCH PROPOSALS IS UNCLEAR, HOWEVER, AND GORBACHEV FACES A SIGNIFICANT CHALLENGE AS HE SEEKS TO LAY THE GROUNDWORK FOR RADICAL CHANGE AT THE CONFERENCE.

-- CONSERVATIVE LEADERS ARE NUMEROUS AT THE REGIONAL LEVELS WHERE THE DELEGATE SELECTION PROCESS IS TAKING PLACE.

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-- THE ACTUAL POWERS OF THE CONFERENCE REMAIN UNCERTAIN, INDICATING THERE IS PROBABLE HIGH-LEVEL DISAGREEMENT ON BOTH THE ISSUES AT STAKE AND HOW THEY WILL BE RESOLVED.

-- MOST OF THE LEADERSHIP WITH THE EXCEPTION OF MOSCOW PARTY BOSS LEV ZAYKOV AND UKRAINIAN PARTY CHIEF SHCHERBITSKIY HAS REMAINED CONSPICUOUSLY SILENT ON PARTY REFORMS.

CONCLUSION

AND EVEN IF GORBACHEV GETS WHAT HE WANTS AT THIS PARTY CONFERENCE, HIS AGENDA IS SO INHERENTLY CONTROVERSIAL, RISKY, AND THREATENING THAT HE IS CERTAIN TO FACE CONTINUING OPPOSITION. IN HIS RECENT SHOWDOWN WITH LIGACHEV, GORBACHEV WON, BUT HE WON A SINGLE BATTLE IN A VERY LONG WAR. FOR GORBACHEV, IN THE WORLD OF KREMLIN POLITICS, THERE WILL ALWAYS BE A LIGACHEV.

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